

Town of Milton

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TOWN MANAGER'S MONTHLY FINANCIAL REPORT

For the period ending 12/31/11:

The Town of Milton has completed the first quarter of the new fiscal year. The following is an unaudited account of finances.

Summary

The Annual Budget, as noted on the Statement of Revenue and Expenditures for the period ending December 31, 2012, differs from the November 30th Statement with respect to the Sussex County grant for the Police Department. The Revenue budgeted for the fiscal year is \$22,500 less because these funds were re-allocated from the General Fund to a Grants account.

With one-fourth of the year completed, trends of revenue and expenditures can be identified.

Type	General Fund +	General Fund -	Same Period Prior Year	Annual Budget FY 2011-12
All Revenue ytd	\$153,792.92		\$112,227.19	\$1,374,675.00
All Expenditures ytd		\$430,273.75	\$370,606.06	\$1,371,293.66
Difference from prior year	\$41,565.73 + (more revenue than same period in the prior year)	\$59,667.69 (more expenditures than same period in the prior year)	\$14,484.42- (net effect of both changes to the General Fund)	

Revenue Highlights

Last month it was noted that Realty Transfer Tax revenue was on a pace that would exceed the \$155,000 budget by \$90,000. The pace slowed considerably in January, but this is a typical seasonal variation. Spring and Summer months are commonly the most active.

Building Permit receipts continue to be strong. That revenue category was reduced from \$95,000 in the last fiscal year to \$75,000 in the current fiscal year because of its poor performance. In the 2009-10 FY, \$101,070 was received. In 2010-11, though, only \$44,677 was received. The current trend points a possible receipt of \$103,500 by September 30, 2012.

Property taxes, which represent 59% of all general fund revenue, will soon be received. It is worth noting, though, that some communities have suffered budgetary impact because of foreclosures.

Expenditure Highlights

The paving and water service improvements were added to the Streets Department expense during the last period. \$70,201.70 of the \$79,223.65 can be attributed to this project. A grant from our local State of Delaware legislators will reimburse the town for the expenses related specifically to paving. This should bring the department back in-line within the budgeted trend.

Likewise, the General Department expenses are outside of the norm (far below the annual percentage equivalent) because most of this budget is allocated to pay for the talent featured in the town's Summer Concert series. Activity will not be seen until late in the third quarter of our fiscal year.

Department	Prior Year to Date Expense	Current Year to Date Expense	Year to Date Budget (by % of year)	Annualized Trend versus Budget
Administration	\$126,700.39	\$75,010.94	\$74,838.98	\$687.86 (<1%) over budget
Streets	\$8,414.69	\$79,223.65	\$12,449.75	See notes
Police	\$203,132.04	\$219,668.81	\$197,348.37	\$89,281.78 (11%) over budget
General	\$2,374.78	\$0	\$4,250.00	No divisor
Parks	\$6,818.83	\$7,195.70	\$9,251.38	\$8,222.70 (22%) under budget
Code	\$23,165.33	\$38,214.01	\$44,684.95	\$25,883.76 (or 14%) under

In the Administrative Department, the mileage reimbursement category stands-out as exceeding the budgeted expense. The Mayor, Town Manager and Accounting Clerks' reimbursement for travel to meetings in personal vehicles is allocated to this category. Meetings of the Delaware League of Local Governments, City Managers Association of Delaware, Municipal Clerks and training offered by the University of Delaware are regularly held in Dover. The annual budget for this category is equivalent to the round-trip expense (at IRS mileage rates) for 5.6 trips to Dover, though.

The Police Department budget has made a reversal from last period's trend – from an annualized under-budget position to an annualized over-budget position. There are several categories of expense that, by nature, are "loaded" into the early portion of a fiscal year and will not be repeated three more times (one quarter of the year multiplied by four to get an annual value) in the course of a year. Training and dues are good examples. The annualized trend versus budget (noted above) may not have such a large difference, then.

Another aspect of the expense report that may be exaggerated is salary, overtime and tax-related expenses that follow. Salary-related expenses are the largest component of expenditure. The COPS grant will help to diminish the difference in this area. On January 30, 2012, the first quarterly reimbursement of salary through the COPS grant was applied. This reimbursement will show not as income, but as a reversal of expense, on the Statement of Revenue and Expenditures next month. This reimbursement of \$11,122.24 will not be "fixed" in the next three quarters. It will be approximately the same, though.

The annualized value of the Police Department Salaries & Wages category is \$727,688 against a \$654,334 budget. If reimbursements from COPS are approximately the same, though, the difference between budget and actual will be \$28,866 (over budget) as opposed to the \$73,354 (over budget) that appears.